

COUNCIL ON AGING FOR SOUTHEASTERN VERMONT

To: Commissioner Patrick Flood, DAD

From: Marie Saunders, Executive Director, COASEV

Re: Comments on 1115 Waiver Draft

Date: September 19, 2003

The Council On Aging for Southeastern Vermont (COASEV) supports the premises put forth in the August 2003 draft for a demonstration waiver proposal for long term care in Vermont. We especially support the expansion of choices for consumers. DAD is to be commended on its efforts.

While we support the intent and basic design of the concept, we also have some concerns and appreciate the opportunity to share them with you.

Budget Neutrality

We clearly understand this concept as proposed in the proposal. However, we are concerned about the potential for cost shifting that the proposal creates. The Area Agencies on Aging (AAA) are currently maxed out in their ability to provide Older American Act (AOAA) services and currently see little potential at the Federal level for increased funding to meet the needs, especially for case management and nutrition programs. Both of these programs are essential to the success of the strategies laid out in the proposal as they are meeting the needs of those currently in the moderate level of need. As pointed out in the proposal the prevention aspect of services is critical to the success of this concept. The more home and community services are promoted and citizens are aware of their options, the greater the demand for the services. The resulting cost shift to OAA funds has the potential of putting those who are stable and "just getting by" at greater risk. I am not proposing we hide this information. I am suggesting that the state needs to concurrently recognize its obligation to seek additional non-Medicaid funding in order to not jeopardize current services.

Funding for the moderate needs group will come from savings by spending less on nursing home costs. There will be no cost shift to AAA services. People in the moderate needs group will only receive services to the extent funding is available. This will require either savings or additional appropriations by the legislature.

We are concerned about the underlying assumptions regarding the role of DAD staff and their ability to complete the tasks currently performed by the DAAs. That will be addressed specifically later.

We are not certain where the budget neutrality comes into play around the area of transportation. The cost of public transportation is escalating and its availability is decreasing. Home and community based services assumes medical transportation availability. If the current level of service is included in budget neutrality, then this concept will not be viable. The greatest impact will be on adult day services.

Transportation is not a covered service in the proposal and current transportation funding will not be affected by budget neutrality. That said, we want to reiterate that we are very aware of the holes in the transportation system for elders and persons with disabilities and we will continue to work diligently on improving those services.

We are not clear how the budget neutrality issue impacts the enhanced residential care waiver. On page 2 a cap of 200 is discussed with 146 slots available. Under this proposal can the state encourage an expansion of available beds? Is the present budget cap for purposes of neutrality at 200 or 146? This is an important detail. For example, we know there are not enough slots in Windham County to meet the existing needs. Under this plan can we encourage more slots/beds be developed?

The current ERC Waiver has an overall cap of 200 persons. Under the 1115 Waiver proposal, there will be no limit on the number of persons able to participate in ERC (except the overall constraint of budget neutrality and Department of Labor and Industry fire and life safety issues and Division of Licensing and Protection variance procedures). The number of people utilizing ERC will be driven by consumer demand. Providers should be encouraged to develop more capacity and DA&D will continue to encourage new providers to participate in this service.

Where does the Long Term Care ombudsman program fit into the revenue neutral concept?

Additional funding for the Long Term Care Ombudsman will have to be taken “off the top” of the budget at the start of the demonstration in order to expand the program to address the concerns of home-based consumers.

Statewide Educational Initiative

Page 9 – This segment implies that if a person becomes stable during their stay in a nursing home and no longer requires such a high level of care, the cost of the nursing home will not be reimbursed. Folks will have to seek another option. It is logical to assume that there will be improvements as a result of care in the nursing facility. Page 15 does make some provision for a continued stay as part of Vermont’s best practice. Note should be made that frequently a nursing facility resident no longer has a home to return to. With the dearth of elder housing in Vermont, this continues to be a barrier for waiver success.

The proposal contains provisions for individuals who cannot return home. However, it should be noted that the current long term care system provides that only individuals who meet the guidelines for nursing home level of care may have their care covered by Medicaid, so this does not represent a change. The Department hopes that increased public information will result in fewer people prematurely surrendering their homes.

Enrollment into demonstration

Page 10 – The proposal is to be commended for the raised resource cap to \$10,000. In fact one of the reasons that home based services is less expensive to provide is the housing provided by the client. However, it is interesting to note that on page 18 there is a co-payment of \$50 to \$100/month for these same individuals. In essence the proposal slowly decreases the resource cap through the co-payment process as there is no indication that income variances would be applied.

The department is still developing the details of cost sharing under the proposal. Co-payments would primarily be paid for from consumers' income; however, we recognize that some individuals might need to tap into their assets/resources to meet the co-payment.

The concept of Presumptive Eligibility appears to be a good tool to initiate services without waiting for approved plan of care.

On page 11 there is a list of services that are provided in the community. As indicated earlier this is really a cost shift exercise shifting costs to programs already underfunded, including the DAD Housing and Supportive Services program.

As stated above, this is not a cost shift. Individuals in the high and moderate needs groups will only receive services to the extent funds are available from savings. Other community services will also serve people to the extent that they have funds available – as they do now.

Program Administration

You are to be commended for keeping the statewide projected care plan budget in place.

The plan calls for DAD staff to provide options, manage the Medicaid Waiver teams that have proven to be so valuable in managing the program, provide consumers with options counseling, do preliminary assessments, and keep the proper paperwork flow. While this may be a good concept, we think the revenue neutral assumptions are inaccurate and need to be revisited before any formal plan is approved.

The Department is confident the costs for these activities will be very close to what is being spent on administrative activities in FY 04.

We are not advocating to continue in our role as DAA. We are advocating for a close look at the budget assumptions, taking into consideration fixed costs such as phone, fax,

and space as well as the variables. The current fixed costs get absorbed within the agency fixed costs budget. For this proposal those costs would be standing alone.

We average about 60 hours a month giving options. We have the advantage of efficient planning of tasks to combine a Medicaid Waiver case management visit in a rural community with a home visit to discuss options, one task that is reimbursable, the other, not. The average takes into consideration that we have staff in many locations cutting down further on travel time. We have also “heard” that the intent is to hire RNs for the DAD staff role. The cost per staff will be higher than certified case managers.

Oversight, Monitoring

On page 26 there is referral to care plan development, its monitoring, and its potential for bias. It makes no reference to present experience as justification for maintaining the present format. Will that information become available?

There have been a number of examples of bias in assessment and care planning. More important is the issue of consistency in performing assessments across the state.

Enrollee and Family Services

Page 53 – What is Enrollee Helpline and who will staff it? Where does that fit into the budget?

DA&D central office staff will primarily be responsible for this function. The task is to ensure that consumers receive timely and accurate answers to their questions and concerns. DA&D central office staff will work closely with the local DA&D staff to ensure good communication about participants concerns.

Waivers

Page 57 – It is not clear as to why there would be a request to waiver statewideness, especially since care plans are to be in the aggregate budget (page 16). Is this to make Cash and Counseling feasible?

First, it is to facilitate pilots like cash and counseling in one or more parts of the state. Also, it is conceivable that the Department might elect to roll out the demonstration rather than start statewide all at once.

Page 58 – It is unclear how the state plans to impose cost sharing on mandatory services.

Co-pays only apply to persons in the moderate needs group. Depending on their circumstances, individuals in the Highest Need and High Need groups might have contribute a “patient share” as they do today.

What are the assumptions that are in place to expect that the Vermont Department of Taxation will give tax credits for qualified long-term care insurance?

This part of the proposal will require a great deal of work with many interested parties and is slated for year three of the five year plan. Any proposal to institute tax credits will require legislation.

As I indicated at the beginning of these comments, COASEV supports the concept of the proposal. We are concerned about the details and would like to see built into the proposal some sort of plan that provides a mechanism for oversight by the stakeholders, the administration and the legislators as the program protocols become more specific.

The Department is committed to on-going participation by consumers and others in the development of the proposal and its implementation. A number of work groups are underway working on those details. The DA&D Advisory Board, which meets monthly, will be the primary oversight body. We anticipate the legislature will exercise diligent oversight.